

1975 ADA Convention
Americans for Democratic Action
1424 16th St. N. W.
Washington, D.C. 20036

No. 101

TO: ECONOMIC COMMISSION

FROM: Sidney Dean, New York

SUBJECT: Goals for the U.S. Economy (new resolution)

PROPOSAL: To set forth guidelines for establishing full responsibility and accountability of private economic enterprise to the public interest in a pluralist mixed economy whose structure and goals are politically determined for human and social objectives.

ADA re-dedicates itself to development of the fullest potentials of democratic self-government for a pluralist society and a pluralist mixed economy whose structure and goals are politically determined for human and social objectives.

Economic values, processes, and institutions are not self-justifying end-values in themselves. They can be evaluated only as alternative means to basic human and social objectives. Such purely economic values as proprietary privileges, laissez-faire employment of capital and disposition of property after death must be governed by their human and social consequences.

Economic groups and institutions including business and corporate organizations, labor unions, trade and professional associations are useful and legitimate instruments of special and private interests. But these economic institutions are not citizens and are neither chartered nor regulated to serve the public interest. Their recently acquired privileges of participation in the electoral process and in legislative-regulatory policy-making must be delimited and policed to prevent their usurpation of the social and political rights of citizens. ADA asserts the sovereignty of the human and social rights of individual citizens over the private interests of non-citizen economic institutions. In order to establish the full responsibility and accountability of private economic enterprise to the public interest ADA proposes the following principles for the structure and regulation of the U.S. economy:

1. All private institutions with interstate characteristics, both profit and non-profit, be required to secure federal charters which would delimit their powers to functionally discrete and highly specific economic functions; that all multiple-function vertical integration be prohibited and divested;

that horizontal combinations on a scale inviting collusion and cartelization be prohibited and divested.

2. Credit be treated as a public resource and the powers of private banking and financial services be restricted to single functions within single areas.

3. Economic enterprise which cannot or will not compete in the open market on the basis of value, price, quality and innovation be structurally re-formed and placed under appropriate degrees of government control, ranging from partial regulation to public authority or direct public ownership.

4. ADA recognizes that the self-regulatory and dynamic role of competitive pricing in a free enterprise economy is no longer operating in the basic segments of the economy nor can it be restored. In practically every area of essential economic services pricing now is administered by proprietary and financial interests for private purposes. The theoretical restraints of government sanctions and regulations have minimal impact upon the many types of legal and illegal pricing and market arrangements of private interests. ADA has concluded that the power to control pricing is the power to control the volume of goods and services which reach the market, as well as the real extent of non-price competition in quality, innovation, and consumer services and benefits. The power to fix these economic values has become the power to govern the social distribution of values-added-to-product among wages, rent, interest, dividends, capital appreciation, and the accumulation of real wealth, social and political power.

ADA therefore calls for the establishment of a national planning and price-regulatory body for federally chartered enterprises of significant function and scale. The body would establish components for major sectors and have the power to establish and enforce pricing criteria and ranges within the context of national plans and policies for full employment, technical and social development, and maximized productivity in a free, just, and humane nation.

In order to sever the controls of private economic institutions and interests over public policy and to establish the full responsibility and accountability of private economic enterprise to the public interest ADA proposes that:

5. The board of directors of every organization which broadly affects the public interest represent all significant constituents within the chartered scope of the enterprise by including at least one representative of employees, managers, the geographic community, the customer community, suppliers, and the planning and regulatory arms of government. All significant operational and financial performance should be published at least semi-annually.

6. All involvement of private economic institutions in public policy-making and legislation and regulation be prohibited except the provision of information relevant to their chartered purposes.

7. Elections must be considered public business and be wholly funded by the respective governments including both primary and general elections. All forms of institutional participation be prohibited except for the volunteer work of private citizens. The inherent advantages of incumbents over challengers be minimized.

Without adequate economic education and uninhibited sources of current information, citizens and their representatives are seriously handicapped in the development and evaluation of economic policies. ADA therefore recommends that:

8. Required courses be established in all public and publicly supported educational institutions, throughout all levels, in basic and intermediate economics, basic and intermediate government and political science, basic law, finance and accounting, basic public and private administration and management, the fundamental public communication arts, science and industries, and private and public ethical philosophies.

9. The communications media be re-structured and regulated to guarantee non-discriminatory general entry and access and uninhibited diversity of content, sources of revenue, and technologies. The first essential policy step is to separate the carrier and distribution systems (transmitters, networks, wholesale and retail distribution, microwaves and satellites, etc.) from engagement either in content or hardware supply. ADA supports the decentralization of the tele-communications industries (telephone, telegraph, cable television, etc.) into their functionally disparate industrial entities, namely hardware and equipment supply, carrier operation and interconnection (long-lines, satellites, etc.).

All that is necessary to accelerate the fearful present trend from institutional dominance of our governmental processes to some form of economic-political oligarchy is for citizens to fail to perform as citizens and, by default, permit the powers of government to be completely usurped by institutional non-citizens.

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